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Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
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June 2, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS WITH VARIOUS EQUIPMENT
MAINTENANCE AND REPAIR SERVICE PROVIDERS**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the Director of Health Services, or his designee, upon review and approval by County Counsel, to:

1. Amend Agreements with Lintek Electronic Services and Sourceone Healthcare Technologies, listed on Attachment A, to extend the term effective July 1, 2005 through June 30, 2007 and update the contract provisions, for the continued provision of maintenance and repair services at various Department of Health Services' facilities, with a combined total maximum obligation of \$148,620, annually, net County cost, and to increase the total maximum obligation for these Agreements, in the aggregate, by no more than 20% above the Fiscal Year 2005-06 maximum obligation for maintenance and repair services, and to increase the total maximum obligation for these Agreements, in the aggregate, by no more than 20% above the Fiscal Year 2005-06 maximum obligation for additional equipment coming off warranty, for a potential annual increase of \$59,448.
2. Amend Agreements with Datex-Ohmeda, Inc., and Lanier Healthcare LLC, listed on Attachment B, to: 1) increase their maximum obligations for maintenance and repair services of additional equipment at Department of Health Services' facilities from \$131,307 to \$199,311, an increase of \$68,004, net County cost, effective July 1, 2005; 2) extend the term through June 30, 2007 for the

continued provision of maintenance and repair services; 3) increase the total maximum obligation for these Agreements, in the aggregate, by no more than 20% above the Fiscal Year 2005-06 maximum obligation for maintenance and repair services; and 4) increase the total maximum obligation for these Agreements, in the aggregate, by no more than 20% above the Fiscal Year 2005-06 maximum obligation for additional equipment coming off warranty, for a potential annual increase of \$79,724.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of these recommended actions is to enable the Department of Health Services (DHS or Department) to ensure continued provision and management of maintenance and repair services for a variety of critically-needed equipment at DHS facilities by delegating authority to the Director, or his designee, to make the necessary adjustments in equipment inventory and related contract funding to maintain and repair such equipment without delays to ensure patient care services and hospital operations are maintained.

Implementation of Strategic Plan Goals

The actions meet the County's Strategic Plan Goals of Service Excellence and Organizational Effectiveness by promoting best practices in maintaining patient care equipment and providing flexibility to ensure that all the equipment is maintained to industry, licensing, and certification standards.

FISCAL IMPACT/FINANCING:

The current and proposed annual maximum obligations for each DHS facility by Agreement are identified on Attachments A and B.

The total maximum obligation for the Agreements listed on Attachment A, Lintek Electronic Services (Lintek) and Sourceone Healthcare Technologies (Sourceone) for the period of July 1, 2005 through June 30, 2007, is \$148,620 annually, net County cost. Under the Director's delegated authority, the maximum obligation for these Agreements may be increased by a total of \$59,448 per fiscal year, or 40% of the total maximum obligation for Fiscal Year (FY) 2005-06.

The Agreements listed on Attachment B, Datex-Ohmeda Inc. and Lanier Healthcare LLC, (Lanier), are being increased by a total of \$68,004 above the original maximum obligation, approved by the Board on February 15, 2005, for additional services at Rancho Los Amigos National Rehabilitation Center and additional equipment at LAC+USC Medical Center for a revised total annual maximum obligation of \$199,311 effective July 1, 2005 through June 30, 2007. Under the Director's delegated authority, the maximum obligation for these Agreements may be increased by a total of \$79,724 per fiscal year, or 40% of the total maximum obligation for FY 2005-06.

Funding is included in the FY 2005-06 Proposed Budget and will be requested, as necessary, in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The equipment will continue to be maintained in accordance with the manufacturer's performance standards and in compliance with all accrediting and reviewing agencies' requirements, including the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). The Agreements may be terminated for convenience by County upon 10 or 30 days advance written notice to Contractor depending on what each specific contract's language requires.

Lintek Electronic Systems and Sourceone Healthcare Technologies - Attachment A

On June 29, 1999, the Board approved Agreement No. H-210633 with Lintek for the period of July 1, 1999 through June 30, 2000, with provisions for three one-year automatic renewals through June 30, 2003. On July 16, 2002, the Board approved Agreement No. H-207634 with C&A X-ray (later assigned and delegated to Sourceone) through June 30, 2003, for the continued provision of maintenance and repair services at various facilities. Subsequently, the Board approved Amendments to both Agreements extending the terms through June 30, 2005.

Amendment Nos. 3 with Lintek and Sourceone extend the terms effective July 1, 2005 through June 30, 2007.

Datex-Ohmeda, Inc. and Lanier Healthcare LLC - Attachment B

Agreement No. H-700835 with Datex-Ohmeda, Inc. and No. H-700827 with Lanier were two of 21 Agreements approved by the Board on June 29, 2004. On February 15, 2005, the Board delegated authority to the Director of Health Services to add or delete equipment as necessary and to increase the total maximum obligation for these Agreements in the aggregate, in any fiscal year through June 30, 2006, by no more than 20% above the FY 2004-05 total maximum obligation. However, equipment maintenance and repair costs for additional equipment are projected to exceed the contract allocation, including the 20% delegated authority increase previously approved by the Board.

The proposed Amendment with Datex-Ohmeda, Inc. will increase the maximum obligation from \$51,084 to \$77,084 to add services for equipment at Rancho Los Amigos National Rehabilitation Center. The proposed Amendment with Lanier will increase the maximum obligation from \$80,223 to \$122,227 to include coverage for additional equipment at LAC+USC Medical Center. Both Amendments will extend the term to June 30, 2007.

The Contractors listed on Attachments A and B provide equipment maintenance and repair services for a wide variety of equipment located in operating rooms, radiology, laboratory, etc., at DHS Medical Centers and facilities. All the equipment must be inspected and maintained to meet JCAHO standards and DHS facilities must document that maintenance of equipment is consistent with industry standards to minimize clinical and physical risks to both patients and facility staff.

The Department has determined that these are not Proposition A agreements because the services are provided on a part-time or intermittent basis, and therefore, provisions of the County's Living Wage Program do not apply.

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CONTRACTING PROCESS:


During the extension period, the Department intends to assess the multiple categories of equipment located at DHS facilities that need to be maintained and repaired and determine the appropriate contracting process(es) for obtaining these required services cost-effectively on an ongoing basis. The goal is to identify an appropriate competitive process that is also cost-effective and efficient.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The approval of these actions will allow DHS to ensure necessary equipment repair and maintenance services are provided without interruption at County health facilities.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ls

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

EQUIPMENT MTCE.LS.wpd

ATTACHMENT A

AMENDMENTS TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENTS

July 1, 2005 through June 30, 2007

Contractor		Type of Equipment	Facilities	Proposed Annual Maximum Obligation
1	Lintek Electronic Systems H-210633-3	Linear Accelerator Equipment	LAC+USC HARBOR	\$30,000 <u>30,000</u> \$60,000
2	Sourceone Healthcare Technologies H-207634-3	Imaging Equipment	MLK/D	\$88,620
Total: 40% Delegated Authority: GRAND TOTAL:				\$148,620 <u>59,448</u> \$208,068

ATTACHMENT B

AMENDMENTS TO VARIOUS EQUIPMENT MAINTENANCE AND REPAIR SERVICES AGREEMENTS

July 1, 2005 through June 30, 2007

Contractor	Type of Equipment	Facilities	Current FY 2004-05 Annual Maximum Obligation	Proposed FY 2005-06 Increase	Proposed Annual Maximum Obligation
1 Datex-Ohmeda, Inc. H-700835-2	Various Medical Equipment	OLIVE VIEW HIGH DESERT HARBOR RANCHO	\$31,000 5,300 14,784 \$51,084	\$26,000	\$31,000 5,300 14,784 \$51,084 \$26,000 \$77,084
2 Lanier Healthcare LLC H-700834-2	Dictation System	RANCHO MLK/D LAC+USC	\$ 17,000 31,113 \$32,110 \$80,223	\$42,004	\$17,000 31,113 74,114 \$122,227
Total			\$131,307	\$68,004	\$199,311
Total: 40% Delegated Authority: GRAND TOTAL:					
					\$199,311 79,724 \$279,035